Telecommunications Act's provisions for schools, libraries, and health-care providers, the Federal Communications Commission should face and address this reality squarely. Perhaps the most critical issue here is designing policies that ensure that schools, libraries, and health-care providers in poor communities achieve levels of access equal to those in wealthy communities. Policies that perpetuate the status quo will merely deepen the disparities that are presently occurring.

Anderson Elementary and Harker School are located only one mile apart in San Jose. In funding, computer equipment and internet access, however, the two schools are ages apart. Harker is an expensive and prestigious private elementary school. Anderson is a public elementary school serving children from one of the region's poorest communities. Harker provides students with the latest Apple Power MacIntoshes used by students to research diverse topics and send electronic mail to teachers on questions about homework. Anderson, in contrast, has no Internet access, and it provides students with antiquated personal computers which cannot provide access to many of today's advanced educational services.

Harker has excellent community resources. Many of the parents work in the computer industry and freely lend technical expertise to the school. They also can buy computers for the school with employee discounts. Anderson has no such advantage. It is considering purchasing internet access, but must balance this possible expenditure with the more basic need of fixing a leaky roof.

This disparity exists notwithstanding efforts to connect California's schools and libraries to the information superhighway. Schools like Harker are benefitting from the efforts, and the gulf is widening. The message is clear. Without full and equal access, residents and children in poor communities with the potential for extraordinary contributions to our society and economy are instead left further behind.

In Los Angeles, Seeds University Elementary School has one computer for every five students. Across town, Esperanza Elementary School has one computer for every thirty

students--but only one of them has a modem, and this modem takes 1,000 times longer to transmit information that the direct Internet connection at Seeds. During NetDay '96 in California, when volunteers visited schools to wire them to the Internet, no one visited Seeds. As the *Los Angeles Times* reported, many such schools in poor areas had no sponsors or volunteers, while schools in more affluent areas continued to improve their access.

Obviously, children in poor communities are no less worthy, no less bright, no less deserving of an equal opportunity to develop their ideas and gifts. Schools, libraries, and health-care clinics in poor, minority, and limited-English-speaking communities should have full and equal access. Without policies that equalize these vast disparities in access, however, the "information superhighway" will only sharpen the economic, political and social divisions between those with and those without access to the information.

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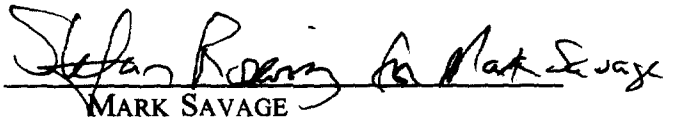
Conclusion

Intervenors share their experience in California with the Federal Communications Commission in case that experience and evidence may prove helpful in designing policies for the nation. California's Public Utilities Commission has acted upon that evidence in ways that should significantly benefit California's low-income, minority, and limited-English-speaking communities. Intervenors respectfully request that nothing in the rules the Federal Communications Commission ultimately adopts should undermine these carefully tailored efforts to achieve and advance universal service in California.

Dated in San Francisco, California, on the 11th day of April, 1996.

Respectfully submitted,

PUBLIC ADVOCATES, INC.
MARK SAVAGE
STEFAN ROSENZWEIG
CARMELA CASTELLANO



MARK SAVAGE

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NATIONAL COUNCIL OF LA RAZA
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ASSOCIATION OF MEXICAN-AMERICAN EDUCATORS
CALIFORNIA ASSOCIATION FOR ASIAN-PACIFIC BILINGUAL EDUCATION
CHICANO FEDERATION OF SAN DIEGO COUNTY
EL PROYECTO DEL BARRIO
ESCUELA DE LA RAZA UNIDA
LAWYERS' COMMITTEE FOR CIVIL RIGHTS OF THE SAN FRANCISCO BAY AREA

EXHIBIT 1

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion into Competition for Local Exchange Service.	R.95-04-043
Order Instituting Investigation on the Commission's Own Motion into Competition for Local Exchange Service.	I.95-04-44

DECLARATION OF THOMAS J. HARGADON

I, Thomas J. Hargadon, declare:

1. My business address is Conference Communications, 1320 Eighteenth Street, San Francisco, California, 94107. The matters set forth herein are based upon my own personal knowledge, except where stated to be on information and belief, and if called as a witness, I could testify competently to them.

2. I am President of Conference Communications, a consultancy that focuses on the convergence of visual computing with high bandwidth telecommunications. For Fortune 100 and international clients, such as Eastman Kodak and Hewlett-Packard, I have recently done strategic analyses of the multimedia development market, of the delivery alternatives for interactive television, and of the cable television industry's involvement with alternative telecommunications.

3. I am a member of the faculty of the New School of Social Research, New York, New York, teaching Advanced Topics in Telecommunications, on-line, to graduate students throughout the world. I have also been an Assistant Professor of Political Science at Boston College, a Lecturer in Urban Planning at the Massachusetts Institute of Technology, and Research Assistant to then Harvard Professor Henry Kissinger. I received a Masters in Economics from Massachusetts Institute of Technology in 1964, graduated from Harvard Law School with an LL.B. in 1962, and hold a B.S. Degree in Mathematics from Brandeis University. I am admitted to the state bars of Massachusetts (active) and California (inactive).

4. I am an Editor of *The Inside Report on New Media*, an industry newsletter focusing on multi-media and advanced telecommunications networks. In the past, I have also been Telecommunications Columnist for *The Office Magazine*, have published and edited *The Green Sheet*, a newsletter focusing on the integration of visual computing with telecommunications, and have published and edited another newsletter, *Open Systems, Managing Office Technology*.

5. Public Advocates, Inc. retained me to analyze the implications of local competition for universal service, to review the definition and potential threat of redlining and assess the need for targeted marketing and outreach to ensure universal service for low-income, minority, and inner-city communities in a transition to local competition.

A. WILL LOCAL COMPETITION BRING FULL AND EQUAL ACCESS TO BASIC AND ENHANCED TECHNOLOGIES AND SERVICES TO POOR AND MINORITY COMMUNITIES?

6. I understand that the Southern Christian Leadership Conference, the National Council of La Raza, the Korean Youth and Community Center, Filipinos for Affirmative Action, and the Filipino Civil Rights Advocates recommend that the Commission adopt a specific prohibition against redlining, and ensure targeted marketing and outreach to California's minority, low-income, and non-English speaking communities.

7. In my opinion, having observed and analyzed telecommunications markets for many years, the Commission must ask itself how the competitive market will function in California before it decides what degree of regulation that market will require. As I describe below, the Commission should not leave it to "free market competition" to sort out the winners and losers, the haves and the have nots, because the have nots will continue not to have access.

8. It is obvious that the theoretical notions of pure competition and perfect information do not apply now and will not apply in the future. The local exchange carriers are not starting on an equal footing. Those with competitive advantages gained through previous policy initiatives such as free spectrum for broadcasters will compete with those advantages. A long-distance company with capital to buy a regional bell operating company, a regional bell operating company with capital to buy a long-distance company, a carrier with capital to buy a wireless company or a cable television company in its service area, will capture even more of the market. And many, many people in poor, minority, and limited-English-speaking communities do not even have complete information about lifeline and basic service, let alone enhanced technologies and services.

9. The move from the present monopoly toward full local-loop competition has some clear implications for universal access and service. The main thrust of competition--the market, so to speak--will center upon downtown businesses, the low-

cost, high-volume and high-revenue areas. In a recent article concerning AT&T's plans, the *Wall Street Journal* suggested that the company will put 100 switches in strategic areas that would provide the vast majority of business users access to high bandwidth products. Pacific Bell now plans to have only one third of the residential lines included in its hybrid fiber/coaxial cable system upgrade by the end of the century, with the remainder taking ten years more to complete, but most low-cost, high-volume business customers are already connected. The cable television industry is moving rapidly to provide advanced capacity to up to 80 percent of its subscribers, including competitive telephony, but it has no real plans to provide such competition to the remaining 20 percent in the highest-cost, lowest-revenue areas. There is little or no talk about providing equally competitive pricing and equal access to enhanced products to residences in poor and minority communities. In telecommunications, the market argument actually assumes or admits that those traditionally without access and the last in line to receive it, may never obtain the level of service easily obtainable in favored areas, and will certainly take 5-10 years longer to receive some access.

B. SAFEGUARDS MUST BE IN PLACE TO PROTECT AGAINST THE REDLINING OF MINORITY, LOW-INCOME AND NON-ENGLISH SPEAKING POPULATIONS

10. The threat of redlining is real. Redlining in the universal service context means that there are inequities in access to telecommunications services for specific ethnic, linguistic, or low-income groups. In a competitive environment, the absence of competition in a given community is an indicator that redlining is occurring. Both types of redlining may occur under local competition. For example, it is beginning to look as if some areas of the state will have substantial facilities based competition - perhaps up to eight in the San Francisco Silicon Valley area, while wide swaths of the state will not have much competition, especially for any higher capacity services for years to come. In addition, the fact that most new competitors have failed to develop targeted marketing

programs for minority, low-income and non-English speaking populations is an indicator that redlining will occur under competition.

11. Ensuring access to enhanced telecommunications services is important to eliminating the potentially devastating effects of redlining. Broadband capacity provides access to economic information, political information, newspapers, books, and information services, health services, employment services, educational service, health services, etc. Even now it is a medium for participating in governmental and business meetings. For those who do not have such access, they fall further and further behind. Without the Commission's guidance, the marketplace will most likely continue to operate in the future as I have observed it to operate in the past, and poor and minority communities will remain on the lower tier of a two-tiered telecommunications system in California. Given the critical role I observe advanced telecommunications play in California's economic and social well-being, such a two-tiered system will likely have serious consequences.

12. It should be remembered that Universal Service has always been defined as access to a full range of telephone services defined in the first instance by voice communications, since this is what the network has been traditionally optimized for. However, we have moved to an era where access to data is a critical component of universal service. At the time of divestiture, only six percent of network traffic was data; Pacific Bell suggests that it is or will be very shortly over 50 percent. And, increasingly, many residences as well as most businesses throughout the state are accessing some data through the network. Universal Service has never been only what Dick Notebaert, CEO of Ameritech, suggests in an interview in the October 9, 1995 *Forbes ASAP*: "Universal Service is defined as a lifeline, something for an emergency." (p.83). It has been a commitment; indeed a commitment for similar services that are now considered to be the limit of universal service - voice grade access made at a time early in this century when

only 1/5th of the residences had only phone services. Surely this definition should be expanded given the improvements in the telecommunications infrastructure.

13. As we move toward the implementation of much higher capacity telecommunications networks to businesses, public institutions and residences, there have been strong expressions of concern that a totally free market approach to deployment will engender sharp inequalities of access throughout the state. Peter Huber of the Manhattan Institute, speaking on the communications revolution at a conference in Aspen recently, was unapologetic when he noted "Free market approaches will create great inequalities." If system upgrades are put into high revenue urban areas first, such areas will be able to obtain advanced services substantially sooner than other areas of affordable prices. Advanced services will not be available in non upgraded areas to institutions, businesses or residences except as special arrangements at substantially higher prices.

14. Pacific Bell was well aware of this potential in its first statements in implementing a proposed 5 million line Hybrid Fiber Coaxial Cable system upgrade. In response to queries, the company noted that its deployment took into account distance, income, and ethnicity issues basically arguing that the correct percentage of each segment of society was obtaining potential access to this new system. Since then, the company has chosen to downgrade their implementation of the HFC system in Southern California; preferring instead to put in a wireless cable (MMDS) structure for video broadcast programming, and, in addition, is moving to expand the deployment of the HFC system in Northern California. According to the San Francisco Chronicle "the company also added plans for cabled service in the affluent suburbs to the east and north of San Francisco where it faces tough competition for phone and video services from Tele-Communications, Inc." (September 28, 1995, p. B-3.) Many of the minority communities counted in Pacific Bells original plans were in Southern California. Do these modified plans mean a substantial departure from the relatively equal access of minority individuals and businesses,

community-based organizations, schools and public institutions? Will they lose access to a system upgrade that is being primarily paid for out of basic service costs and not out of enhanced services?

15. The cable companies who plan to provide basic telephony service are also upgrading their systems to HFC, but they too are focusing on the business segments in urban areas. As noted in the June Issue of *On Demand* Magazine, Bruce Ravenel, Senior Vice President, TCI Technology Ventures, agreed with Jim Chiddix, Senior Vice President for Science and Technology for Time Warner Cable, that all their major systems will be built out by 1998. As Ravenel put it "I think that is about the right time frame. TCI has a lot more little systems for which HFC has to be Plan B. I think we've got a million subscribers for whom HFC isn't necessarily the right path." (June 1995, p.24.)

16. We also have the alternative carriers such as Metropolitan Fiber Systems (MFS) and Teleport who primarily service downtown and technology business customers willing to branch out into some residential service if its economically feasible to do so through resale. And we have not yet added the large long distance carriers such as AT&T, MCI and Sprint who will utilize their extensive networks and wireless (Cellular or PCS) to provide local service. It remains to be seen whether these companies will predetermine that access to advanced technologies is a path for the chosen few.

17. The local exchange carriers and the competitive local carriers would like to go to geographic pricing, down to the census tract, to compete with very aggressive pricing on telephony and advanced services in the business districts throughout California. In these areas, one can expect quickly lower prices and substantial additional access to new capacities at reasonable prices. The converse implication is that in the higher-cost, lower-revenue areas, where there will be little or no competition now or in the foreseeable future, and prices would rise to ensure adequate profits to the functionally monopolistic vendor with little or no increase in bandwidth capacity available at any price.

18. For the very reasons I described above, local exchange carriers and competitive local carriers will not likely bring full and equal competition to provide even the current minimal service in poor and minority communities. There will be genuine competition for the high-volume, high-revenue business customers. Indeed, over the first several years of local competition, as carriers compete ardently for a place in California's market, almost all attention will be focused on competing for high-revenue customers. Any attention to competing in California's poor and minority communities will quite probably be as marginal as the Commission's IRD decision indicates those communities have been viewed to date. Moreover, for those who do make minimal service available, they are likely to try to increase prices for it in these uncompetitive areas in order to help fund the competition for large business customers.

19. In light of the above, the Commission should adopt a specific prohibition against redlining. Targeted marketing and outreach programs to low-income, minority and non-English speaking communities for basic, lifeline and enhanced services is necessary to prevent a society of haves and have-nots.

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, except where stated to be upon information and belief, and where stated to be upon information and belief, I believe it to be true and correct, and that I executed this declaration at San Francisco, California this 4th day of October, 1995.

THOMAS J. HARGADON

EXHIBIT 2

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FILIPINO CIVIL RIGHTS ADVOCATES

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Rulemaking on the Commission's Own Motion into Universal Service and To Comply with the Mandates of Assembly Bill 3643.	R.95-01-020
Investigation on the Commission's Own Motion into Universal Service and To Comply with the Mandates of Assembly Bill 3643.	I.95-01-021

DECLARATION OF BONG HWAN KIM, EXECUTIVE DIRECTOR, KOREAN YOUTH & COMMUNITY CENTER

I, Bong Hwan Kim, declare:

1. I am the Executive Director of the Korean Youth and Community Center, Inc. My business address at the Korean Youth and Community Center is 680 South Wilton Place, Los Angeles, California. The matters set forth herein are based upon my own personal knowledge, except where stated to be upon information and belief, and if called as a witness I could testify competently to them.

2. The Korean Youth and Community Center ("KYCC") is a non-profit organization that serves economically disadvantaged Korean youth, their families, and the

multiethnic community of mid-city Los Angeles. The Center was founded in 1975 and incorporated as a non-profit agency in 1982. It seeks to develop positive identity and leadership among youth, enhanced inter-generational relationships among Korean Americans, community socio-economic empowerment, and constructive inter-ethnic community relations. Toward these goals, KYCC provides employment and community development programs, consumer education, culturally accessible counseling, academic support services for Los Angeles schools, affordable family housing development, opportunities for volunteer participation in community service, youth leadership development, and community organizing and advocacy. KYCC participates in various coalition efforts to increase grassroots involvement in broadly based multiethnic approaches to community development.

3. I have been a leading advocate for the needs of the Asian/Pacific Islander community regarding telecommunications policy. I currently act as the Chair of the Telecommunications Sub-Committee of Asian Pacific Islanders California Action Network (APIsCAN), a statewide coalition of over 40 service and advocacy agencies, and as Co-Chair of the Asian Pacific Islander Forum on Telecommunications sponsored by Pacific Bell, an advisory group of 12 community leaders leading the effort to coordinate advocacy on telecommunications policy. APIsCAN is currently laying the groundwork to build a state-wide Asian American information infrastructure.

4. I am also a leader in developing telecommunications programs and applications. I am currently a member of the Steering Committee of the Asian Pacific Network (APNet), which is the only project funded by the National Telecommunications and Information Administration (NTIA) to address the needs and perspectives of Asian Americans. It is the leading demonstration project in the country in the area of applying advanced communication technologies in monolingual, recently immigrated, economically disadvantaged Asian American communities. Working in partnership with Chinatown Service Center, Search to Involve Filipino Americans, Visual Communications, and the UCLA Asian American Study

Center to develop a national Asian/Pacific Islander telecommunications network, KYCC will initiate, create, and implement comprehensive linkages to the information superhighway among diverse Asian/Pacific Islander communities. By establishing cost-efficient information access systems, and finding linkages to and from national Asian/Pacific Islander organizations, KYCC hopes to increase the use of multi-media applications and communications technologies throughout nationwide Asian/Pacific Islander communities. Ultimately, the project will establish an enhanced delivery system for Asian/Pacific Islander organizations and provide information regarding programs and services to a wider audience. The services to be provided include: an Internet server that produces information and also provides the community with a wealth of information and resources related to Asian/Pacific Islanders; Internet access in partnership with universities, colleges and commercial Internet service providers; electronic mail; and access to an electronic mailing list to exchange information between network partners. KYCC currently serves as the fiscal agent for APNet.

5. From 1990 to 1993, I was a member of Pacific Bell's Consumer Advisory Council, which advised Pacific Bell on the needs of the Asian/Pacific Islander communities, including but not limited to language accessibility, product lines, and service strategies. Between 1994 and 1995, I served as a member of GTE's Community Advisory Panel on Universal Lifeline Telephone Service, which advised GTE on all aspects of its ULTS program, including but not limited to marketing and outreach strategies, program development, and needs assessment.

6. The Korean Youth and Community Center has been involved in innovative consumer education and telecommunications networking projects. For example, the Korean Youth and Community Center received funding from the Telecommunications Education Trust Fund to conduct a consumer education project. KYCC conducted outreach awareness about telecommunications programs and services in the Korean community. Through the sponsorship of workshops and by working with other agencies, the Korean Youth and

Community Center was successful at increasing awareness in the Korean community about telecommunication services.

A. THE ASIAN PACIFIC ISLANDER COMMUNITIES' NEED FOR FULL AND EQUAL ACCESS TO ENHANCED TELECOMMUNICATIONS SERVICES

7. Advanced telecommunication technology entails the transfer of voice, text, and images through the use of computers and telecommunication lines (*i.e.* electronic mail, Internet access, data transfer, and video-conferencing). The applications available over advanced telecommunication technologies can be even more important than the actual technology. With advanced technology, all community-based organizations (CBOs) will be able to communicate more effectively. For the Asian/Pacific Islander (APIs) community, more accessible communication channels are critical. APIs are unevenly dispersed throughout the nation, thereby making communications and collaboration among these communities particularly difficult. Approximately 90 percent of the API population is found in just ten states. Large pockets are concentrated in major metropolitan areas across the country (*e.g.* APIs comprise 11 percent of the total population of Los Angeles County) but also located in many rural areas, such as California's Central Valley or on Hawaii's outer islands like Molokai. This geographical separation makes it difficult, if not nearly impossible, for API communities to communicate, share information, collaborate, plan, or otherwise work together on a state-wide or national level. As KYCC's efforts with APNet and the Asian Pacific Islanders California Action Network demonstrate, advanced communication technology can make this possible *if it is available and accessible in our communities.* Unfortunately, advanced communication technology is not equally available and accessible in our communities. To illustrate, *KYCC is the only Internet access point publicly available to this community in general, and specifically for low-income, immigrant, lower English skilled youth in this area.* And KYCC was finally able to establish this access only recently.

8. While we do not know of any reliable study quantifying the need or

demand for advanced communication technologies in immigrant and other disenfranchised communities, we do know that there is a great demand and need. Since being awarded the NTIA grant, neither APNet nor KYCC has issued a press release or held a press conference, but we have received numerous inquiries about what we are doing and when it will begin. We have received telephone calls from outlying counties requesting that we notify them when we start training session.

9. KYCC has conducted two informal surveys, assessing the need for advanced communication technology in CBOs and in our geographic community. One assessment surveyed the computer skills of the 150 CBO staff of the APNet member organizations: 75 percent have never seen the Internet, 30 percent rarely use a computer (mostly due to language barriers), and 65 percent only use word processing. In another measurement of the communities' need, we assessed the schools in the Los Angeles Koreatown area. There are only 50 computers available to nearly 3,000 elementary students in seven local schools. None of the schools and libraries in the area have Internet access. Our community has never had full and equal access to advanced telecommunication technology, while many other Californians have had such access for some time. Once again, our community remains on the bottom tier of access to the information superhighway.

10. KYCC is using advanced communication technology to enhance the capacity and efficiency of CBOs. With the current political atmosphere and economic realities forcing CBOs to streamline their organizations, CBOs will be expected to continue or even to increase their levels of critical services to the community, while available resources decline.

11. Advanced communication technologies provide heretofore unknown opportunities to provide community education and interaction. KYCC has found this opportunity to be a powerful mechanism to reach isolated low-income, immigrant communities with information on social services, education, arts and culture, and consumer issues. These technologies allow us to expand traditional service models, and thus they challenge us not only

to reach more community members, but also to reach them with more depth and substance. CBOs are in the unique position to act as the conduit by which the information superhighway is introduced to these communities.

12. In many instances, and for the applications that KYCC is developing for the surrounding community, more than just access to a regular telephone line is required; what we need and must obtain are lines with higher speed and more capacity. Without such lines, use of the applications the community needs to access and use the information superhighway are neither practical nor possible.

13. Based upon my considerable experience with the need for advanced telecommunication technology in poor, ethnic, and limited-English-speaking communities, it is my strong opinion that the Commission's universal service goals and its definition of basic service must include full and equal access to advanced telecommunication technologies in these communities, too. Without guidance from the Commission, I have seen no evidence that a competitive marketplace will behave any differently toward our communities.

B. THE ASIAN PACIFIC ISLANDER COMMUNITIES' NEED FOR MULTI-LINGUAL ACCESS TO TELECOMMUNICATIONS SERVICES

14. There are significant language barriers among Korean Americans to accessing and understanding information about lifeline, basic, and enhanced telecommunications services. English proficiency among Korean Americans in Los Angeles County is very limited. In a recent survey conducted by the Asian Pacific Health Care Venture, it was estimated that over 47 percent of adult Korean Americans do not speak English at all. This is significantly above the figure for the County as a whole, 31 percent of all adults. Among high-school students in the Los Angeles Unified School District, 47 percent are classified as "Limited English Proficient".

15. KYCC's own experience illustrates the great need for Asian language services from all telecommunications entitites. From 1989 to 1991, KYCC participated in the

Asian Pacific Telecommunications Education Consortium (APTEC) to develop and implement a multi-lingual telecommunication-based information/referral project targeting four major Asian-Pacific groups (Chinese, Japanese, Filipino, and Korean), specifically targeting low-income, limited-English-speaking communities. More than 80 percent of the 4,500 calls we received yearly requested assistance in translation for basic services such as start-ups, service disconnects, and billing disputes. Furthermore, with the rapid advancement of technology and application of the information superhighway, as well as recent and major changes in telecommunications regulations by the California Public Utilities Commission, it is becoming even more important that the phone companies provide culturally accessible consumer education to these limited-English-speaking, low-income residents.

16. In my opinion, the absence of adequate or any multi-lingual information about telephone service in the Korean American community explains a significant part of lower telephone penetration levels in these communities. In order to ensure genuine awareness of lifeline, basic, and other services, carriers must provide the information to non-English-speaking customers in the common languages spoken within the service area, such as Korean, Spanish, Cantonese and Mandarin, Tagalog, and Vietnamese. In addition, to be effectively marketed, the universal lifeline program must be marketed to these communities' low-income populations in their common languages. Multi-lingual service is essential for a limited-English-speaking Californian to apply for lifeline or basic telephone service. It is essential to understand the bill. It is essential to understand their rights under the Commission's rules. Accordingly, it must be available at the carrier's office, through the carrier's marketing and advertising, and through the newer on-line information services.

17. With information about services and costs in Korean, would accomplish the following important objectives for substantial numbers of Korean Americans:

a. Ensure outreach and education to a significant percentage of the population that is currently not adequately informed about lifeline, basic, and other

telecommunications services due to limited or no English proficiency;

b. Provide accurate information in the language that the target population can speak and understand, therefore ensuring better comprehension and avoiding serious mistakes; and

c. Avoid marketing abuses such as unauthorized switching of long-distance carriers, telemarketing scams, and sale of unnecessary service features.

None of these objectives can materialize if the substantial numbers of Asian Pacific Islanders with limited English proficiency do not know of the telecommunication services. They cannot be achieved if even basic telephone services are not marketed or even described to them in their own common languages, or if the carrier cannot answer questions in these languages when they take the initiative to ask for information.

C. THE NEED TO PRESERVE THE COMMISSION'S UNIVERSAL SERVICE GOAL BY LANGUAGE AND BY ETHNICITY AS WELL AS BY INCOME

18. I am informed that the Commission's decision requests "input from parties . . . whether the standard by which the 95% penetration rate is measured should be modified to use income as the only variable against which penetration is measured" or whether the Commission's universal service goal should continue to seek 95 percent service in California's poor, non-white, and limited-English-speaking communities.

19. In Asian Pacific Islander communities, language, ethnicity, and income each serve as separate, albeit sometimes overlapping, barriers to accessing telephone service and adequate information about lifeline, basic, and other telecommunications service. Based upon my extensive experience with telecommunications, it will *not* be enough to focus only upon income and to ignore the distinct language barriers for roughly one third of California's population. The Commission must not ignore the fact that the penetration rate for ethnic groups is lower than that for Whites at the same lower and middle income levels. If existing carriers and the new competitive carriers are going to begin to reach the Commission's

universal service goal, they must pursue strategies that account for income *and* ethnicity *and* language.

19. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, except where stated to be upon information and belief, and where stated to be upon information and belief, I believe it to be true and correct, and that I executed this declaration at Los Angeles, California, this 31 day of August, 1994.

BONG HWAN KIM

EXHIBIT 3

Survey
of
Low-Income, Minority and Limited-English-Speaking Communities' Need for Equal Access to the Information Superhighway

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